



California State Treasurer Fiona Ma, CPA

News Release

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State Treasurer Fiona Ma Celebrates Birthday by Saving Californians \$1 Billion

Savings comes from refinancing during today's \$2.3 billion bond sale

SACRAMENTO – California State Treasurer Fiona Ma announced the sale of \$2.3 billion of State of California general obligation bonds, which included the refinancing of more than \$2 billion of bonds issued in April 2009 when the state was experiencing budget challenges and interest rates were higher.

The refinancing will save taxpayers more than \$1 billion in debt service costs over the next 19 years, or more than \$739 million on a present value basis. The sale took place during her birthday this week.

“It’s a happy gift for all Californians,” said Treasurer Ma, “and a huge win for California. These savings, the most ever from a sale of state general obligation bonds, can be used to pay for other budget priorities of the Governor and Legislature. My office will continue to refinance the state’s existing debt to reduce debt service costs whenever possible.”

Some key statistics from this sale:

- Final size: \$2,291,850,000
- Final yields to investors ranged from a low of 1.52% for a 2020 maturity to a high of 3.18% and 3.52% for a 2049 maturity with 5% and 4% coupons, respectively
- True interest cost: 3.34%

The joint senior managers for the sale were Citigroup and Bank of America Merrill Lynch. Ramirez & Co., Inc. served as co-senior manager. There was also a large syndicate of co-managers and selling group members. “I’d also like to thank my talented staff for their technical acumen and commitment to small details – the huge success of these transactions reflects their hard work,” Ma said.

Treasurer Ma also expects to sell California general obligation bonds again on March 26 and April 11, 2019. The calendar of all upcoming state bond sales is available at BuyCaliforniaBonds.com.

Fiona Ma is California's 34th State Treasurer. She was elected November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant elected to the position. California is the world's fifth-largest economy and Treasurer Ma serves as its head banker, providing transparency and oversight for the government's investment portfolio and accounts as well as managing \$92 billion in financial assets. The State Treasurer's Office (STO) provides financing for schools, roads, housing, levees, public facilities, and other crucial infrastructure projects that better the lives of all Californians. The STO manages cash receipts and bond issuances for the State and oversees programs that fund schools, hospitals, and affordable housing and small businesses. The STO also manages three savings programs that benefit individuals with disabilities, families planning for higher education, and private-sector employees working toward retirement.

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